

Supplementary Reading for the Break-Out Groups

Terms of Reference for the Strategic Environmental and Social Assessment (SESA) of the National REDD+ Program in Macondo

1. Objectives

The overall objective of these Terms of Reference (ToR) is to ensure that Strategic Environmental and Social Assessment (SESA) and Environmental and Social Management Framework (ESMF) is applied so as to integrate environmental and social considerations into Macondo's REDD+ Readiness Preparation.

2. Background information on Macondo

Macondo is a country with significant forestry potential. In the early 20th century 70% of the country was covered by forests. However, between 1950 and 1995 deforestation in Macondo was rampant due to the expansion of the agricultural frontier, urbanization and mining. Almost 40% of its forest was lost. By early 2000s deforestation was reversed but since threats have emerged such as (i) conversion to agricultural land particularly in the northeast of the country, (ii) infrastructure development and construction of hydropower plants, (iii) illegal logging and (iv) forest fires. The government of Macondo is interested in arresting deforestation, conserving biodiversity and promoting green growth. As a result, Macondo joined the FCPF. Its R-PP was approved in mid-2012.

3. Links between the SESA/ESMF and the REDD+ strategy options

Implementation of REDD+ in Macondo is expected to provide a number of benefits, but it may also pose some risks. These risks will be mitigated through an extensive consultation and participation process, analytical work, and the SESA. The SESA will assist a range of stakeholders in defining social and environmental priorities in relation to deforestation and forest degradation. These priorities will help refine the selection of the REDD+ strategy options as the SESA will assess gaps in the REDD+ strategy options to effectively address environmental and social priorities. Once the REDD+ strategy options are refined, they will be implemented in the future through specific activities and projects. The Environmental and Social Management Framework (ESMF) will provide a framework to manage the potential environmental and social impacts related to these specific projects and activities, including investments and carbon finance transactions.

4. Strategic Environmental and Social Assessment

These ToR specify the activities the Consultant should undertake in order to conduct the SESA in line with current FCPF guidance on SESA application, the World Bank's environmental and social safeguard policies, and the Macondo's legal and regulatory framework.

4.1 Launching of SESA

4.1.1 Consultation and Participation Activities

During the preparation of the R-PP, extensive stakeholder analysis and consultations were carried out to identify key stakeholders, in collaboration with the UN-REDD Macondo Programme. Notwithstanding, the Consultant at the start of the assignment shall conduct a stakeholder gap analysis to identify any relevant stakeholders that might not have been considered during the R-PP formulation stage. The key stakeholder groups that should be considered include **public sector** entities (not just key ministries and departments, but also bodies such as the Provincial and District Committees), representatives of the **business sector** (such as forestry and wood processing companies, whether public or private), **civil society organizations** (including NGOs operating at every level), **local communities and villagers** (including forest-dependent ethnic minorities), and **development partners**.

The Consultant shall coordinate as needed with other specialists and teams assisting the GoM in the implementation of the Consultation and Participation Plan.

4.1.2 National Validation Workshop

The Consultant will prepare a SESA Work Plan, which will in the first instance outline the consultation and participation activities of the SESA. The SESA Work Plan shall be subject to broad stakeholder validation in a national workshop. The validation workshop is crucial in establishing the legitimacy of all subsequent stakeholder consultation and participation actions. Representation from all key stakeholder groups related to forest management in Macondo should therefore be considered. Ample notice should be given to stakeholder groups and platforms which, as much as possible, shall nominate their own representatives.

The workshop should be held at a place which is readily accessible to stakeholder group representatives coming from different parts of the country. The format and facilitation of the workshop should also ensure that all stakeholders feel comfortable voicing their views and concerns, that all voices are heard, and that all inputs are considered. The issues to be discussed should include legitimacy and representativeness of the stakeholder groups that have been defined as well as mechanisms for providing feedback during the SESA process. Criteria for including new stakeholders in future consultation and participation activities would be also agreed as well as the rules to be followed to reach agreements at key points in the SESA process. Views, comments, and agreements from the validation workshop should be used by the consultants to finalize the SESA Work Plan. The Work Plan and any other outcomes of the workshop shall then be publicly disclosed via the websites of Ministry of Agriculture and Environment (MAE) and the UN-REDD Programme in Macondo. For reaching out at the village level, a summary of the Plan will be disseminated in a culturally sensitive format, such as through audio programs prepared in local languages.

4.2 Scoping of priority issues

4.2.1 Identification of key environmental and social issues

The Consultant will identify key environmental and social issues associated with deforestation and forest degradation in Macondo to inform the definition of environmental and social priorities. For scoping key environmental issues the following steps will be followed:

- a) Construction of a base map (first layer) using information on forest cover (including mangroves), river basins, water bodies, and salient biodiversity characteristics, including biodiversity hotspots and protected areas. This will be done in collaboration with other land use and forest mapping programs and REDD+ projects.
- b) Mapping of main economic activities in forest areas and their surroundings including but not limited to logging, farming, industrial agriculture, and tourism. The mapping will include information on main agricultural production projects under implementation or likely to be implemented in the next five years (second layer)¹.
- c) Mapping of existing infrastructure and identification of proposed transport and power sector projects under investigation or implementation (third layer).
- d) Superimposition of these three layers of information to define critical areas under potential environmental stress in forest areas.
- e) Examination of specific environmental issues by using participatory rural appraisal methods and case studies in specific areas of interest.

Likewise, the following steps will be followed to scope key social issues:

- a) Construction of a base map (first layer) of villages in and around forest areas, including key demographic indicators such as number of inhabitants, gender and age structure, and ethnicity of the populations.
- b) Poverty and vulnerability map including income levels of the population (second layer).
- c) Mapping of resource access and land tenure rights¹ that shall include natural resources use areas and areas where forest lands have been allocated to individual households or communities (third layer).
- d) Superimposition of these three layers of information to define critical social issues in forest areas.
- e) Examination of specific social issues by using rural appraisal methods and case studies to document critical interactions among different social and cultural factors affecting sustainable forest management in Macondo.

Building on the evidence and results of these analyses, the Consultant will produce a Scoping Report of key environmental and social issues in forests areas in Macondo. This Report will:

- i. identify environmental and social hotspots and discuss their main characteristics;
- ii. discuss in a sample of key forest areas land use trade-offs by analyzing the opportunity costs of conserving forests versus developing these areas into alternative land uses such as agriculture or mining; and,
- iii. analyze critical institutional, legal, regulatory, policy and capacity gaps underlying the key environmental and social issues identified.

¹ The provincial socio-economic development master plan and the provincial land-use master plan which are approved by the authorized government agencies are good reference data.

The Scoping Report will inform the public consultations to be undertaken with key stakeholders for the definition of environmental and social priorities.

4.2.2 Definition of environmental and social priorities

In line with the consultation and participation plan of the SESA, the key environmental and social issues resulting from the mapping and analytical work shall be reviewed and prioritized by a representative sample of villages in the critical areas identified in the mapping exercise. Stakeholder engagement at this level shall take place in the local language. The prioritization will then be validated at the regional or provincial level by village representatives and by local CSO and other relevant members of the sub-national REDD+ Networks.

In parallel, institutional stakeholders identified in the SESA Work Plan—i.e. those from the public and industrial sectors, including the representatives of forest management boards—will review and prioritize environmental and social issues through the use of appropriate consultation methods, such as focus groups. A national workshop will be convened to discuss the results of the prioritization undertaken by the institutional stakeholders and to reach an agreed set of priorities by all institutional stakeholders at the national level (including the National REDD+ Network and the REDD+ Technical Working Group). The selected environmental and social priorities of institutional stakeholders and those of ethnic minorities and other forest-dependent communities will be reported either separately, if they are different from each other, or integrated into one set of priorities for the communities and institutional stakeholders, if they are similar or identical.

The Consultant will prepare a report on the selection of priorities by all the SESA stakeholders. The report shall then be publicly disclosed to reach a wide range of interested constituencies.

4.3 Assessment

The Consultant will assess the environmental and social sustainability of the REDD+ strategy options as follows:

4.3.1 Assessing candidate REDD+ strategy options vis-à-vis previously defined priorities

The Consultant will assess the extent to which the preliminary REDD+ strategy address the previously defined environmental and social priorities and take into account in their formulation the opportunity costs of REDD+ in Macondo. When the REDD+ strategy options address partially or do not address some of the priorities and/or are unresponsive to the opportunity costs of forest conservation/more sustainable forest management, the gaps will be identified and specific recommendations will be made to refine the REDD+ strategy options to close these gaps. In this way, priority environmental and social considerations and to some extent forest valuation will be integrated into the preparation of the REDD+ strategy. The expected output is revised REDD+ strategy options.

The revised REDD+ strategy options shall be assessed against the environmental and social impacts that they may induce or create during their implementation. These environmental and social impacts will be identified vis-a-vis the protections provided by the relevant World Bank environmental and social safeguard policies. For example, one of the REDD+ strategy options may induce involuntary restriction of community access to forest resources in a park or protected areas located in a specific

part of Macondo, which would trigger the application of certain provisions of World Bank OP 4.12. In view of such a possibility, the Consultant shall make recommendations to refine further the REDD+ strategy options in order to eliminate or minimize this risk. If some residual risk still remains, it will be dealt with in the Environmental and Social Management Framework (ESMF) prepared to manage risks during implementation of the improved REDD+ strategy.

4.3.2 Validation of the assessment

In coordination with the team in charge of the REDD+ strategy options, the Consultant will subject the refined REDD+ strategy options to public validation in a national workshop. Participants from all key stakeholder groups should be invited to this workshop including those whose work/livelihoods are likely to impact on or be impacted upon by the strategy options. Care should be taken to include women, forest-dependent ethnic minorities, forest dwellers, and any otherwise marginalized groups.

5. Environmental and Social Management Framework (ESMF)

The Consultant will prepare an initial draft ESMF suitable for disclosure and public consultations that would involve the following minimum tasks:

- a) A description of the REDD+ strategy, its main social and environmental considerations, and the various risks involved in its implementation.
- b) An outline of the legislative, regulatory, and policy regime (in relation to forest resources management, land use, forest carbon and customary rights, etc.) within which the strategy will be implemented.
- c) A description of the potential future impacts, both positive and negative, deriving from the project(s), activity(-ies), or policy(-ies)/regulation(s) associated with the implementation of the indicative REDD+ strategy options, and the spatial distribution of these impacts. This description should include REDD+ benefit sharing.
- d) A description of the arrangements for implementing the specific project(s), activity(-ies), or policy(-ies)/regulation(s) with a focus on the procedures for (i) screening and assessment of site-specific environmental and social impacts; (ii) the preparation of time-bound action plans for reducing, mitigating, and/or offsetting any adverse impacts; (iii) the monitoring of the implementation of the action plans, including arrangements for public participation in such monitoring.
- e) An analysis of the particular institutional needs within the REDD+ implementation framework for application of the ESMF that will include an outline of recommended capacity building actions for the entities responsible for implementing the ESMF.
- f) Requirements for technical assistance to public- and industrial-sector institutions, villages, and service providers to support implementation of the ESMF.
- g) An outline of the budget for implementing the ESMF.

A final draft ESMF suitable for inclusion in the R-Package (or grant completion report) shall contain specific sections addressing the requirements of the applicable World Bank safeguard policies, including as relevant:

- i. Environmental Management Framework (EMF) to address any potential environmental impacts, including cumulative and/or indirect impacts of multiple activities;

- ii. Involuntary resettlement and/or restriction of access to natural resources having adverse livelihood impacts (e.g. Process Framework);
- iii. Stakeholder engagement and dispute resolution framework; and
- iv. Indigenous Peoples Planning Framework (IPPF) to address any effects on Indigenous Peoples.

5.1 Consultation on and disclosure of the ESMF

The generation of a draft ESMF needs to be preceded by the preparation of the ESMF ToR for which inputs shall be solicited through their public disclosure. In putting together the draft ESMF, the Consultant should carry out additional stakeholder consultations as needed, particularly in the critical areas as identified through the prioritization and mapping exercise. The draft document should also be subject to broad stakeholder consultations and inputs. Eventually, a representative sample of villages in the critical areas shall be convened for public hearings or consultation workshops on the ESMF, which should be held in readily accessible district or provincial capitals. Community-based organizations and CSOs operating in these areas should participate in these public hearings, as should members of the sub-national REDD+ Networks. Hard copies of the document should also be available at the offices of the sub-national REDD+ Networks, District Committees, or similar in the identified critical areas.